

MNI POLITICAL RISK ANALYSIS-Right-Wing Coalition Set To Win Bitter Madrid Election

by Tom Lake

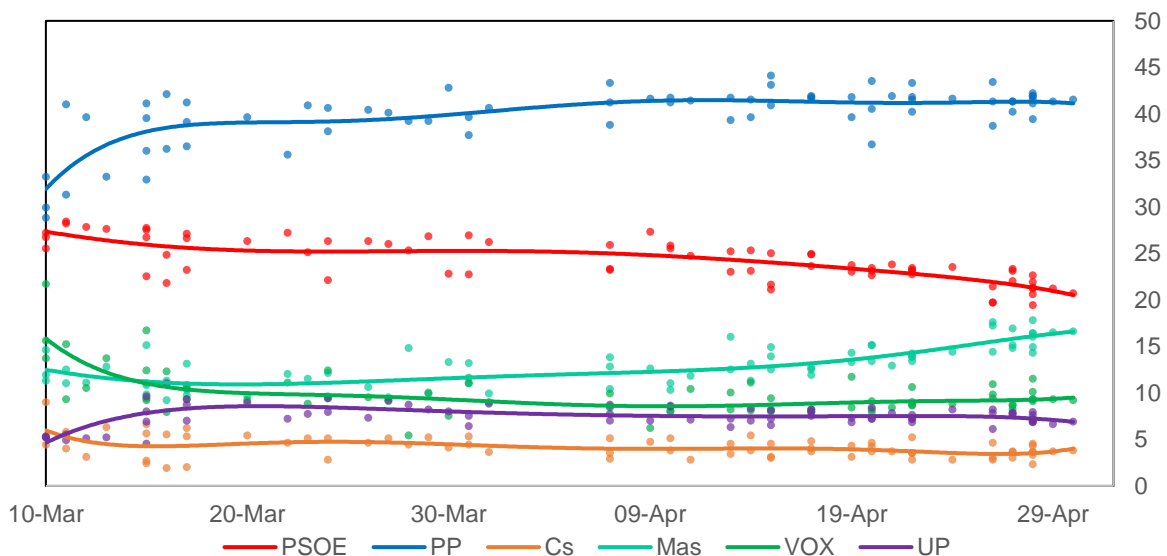
Madrid's regional assembly election, to be held on 4 May, has turned into one of the most bitter, ill-tempered, and rhetorically violent campaigns Spain has seen in decades. Bullets and death threats have been posted to the leader of a left-wing party, the head of the Civil Guard, and the Spanish interior minister, while highly-charged terms such as 'communist' and 'fascist' have re-entered the political lexicon less than 50 years since the end of the Franco regime.

Main Takeaways:

- The conservative People's Party are likely to need support from right-wing nationalist Vox to form a regional government after the election.
- Strong results for PP could give regional president Isabel Díaz Ayuso a major boost, with media speculation mounting that she may seek to launch a leadership campaign for the PP at the federal level.
- Poor results for the PSOE and Podemos would come as a blow to the federal government, with Prime Minister Pedro Sanchez and Podemos leader Pablo Iglesias both investing significant political capital into the Madrid campaign.

Incumbent regional president, Isabel Díaz Ayuso, from the centre-right People's Party (PP) has fought the campaign on a platform of limiting controls on social and economic life due to the pandemic, a strategy that looks set to pay off with opinion polls showing the PP leading comfortably. However, the party looks set to fall short of an overall majority and as such would require a coalition partner.

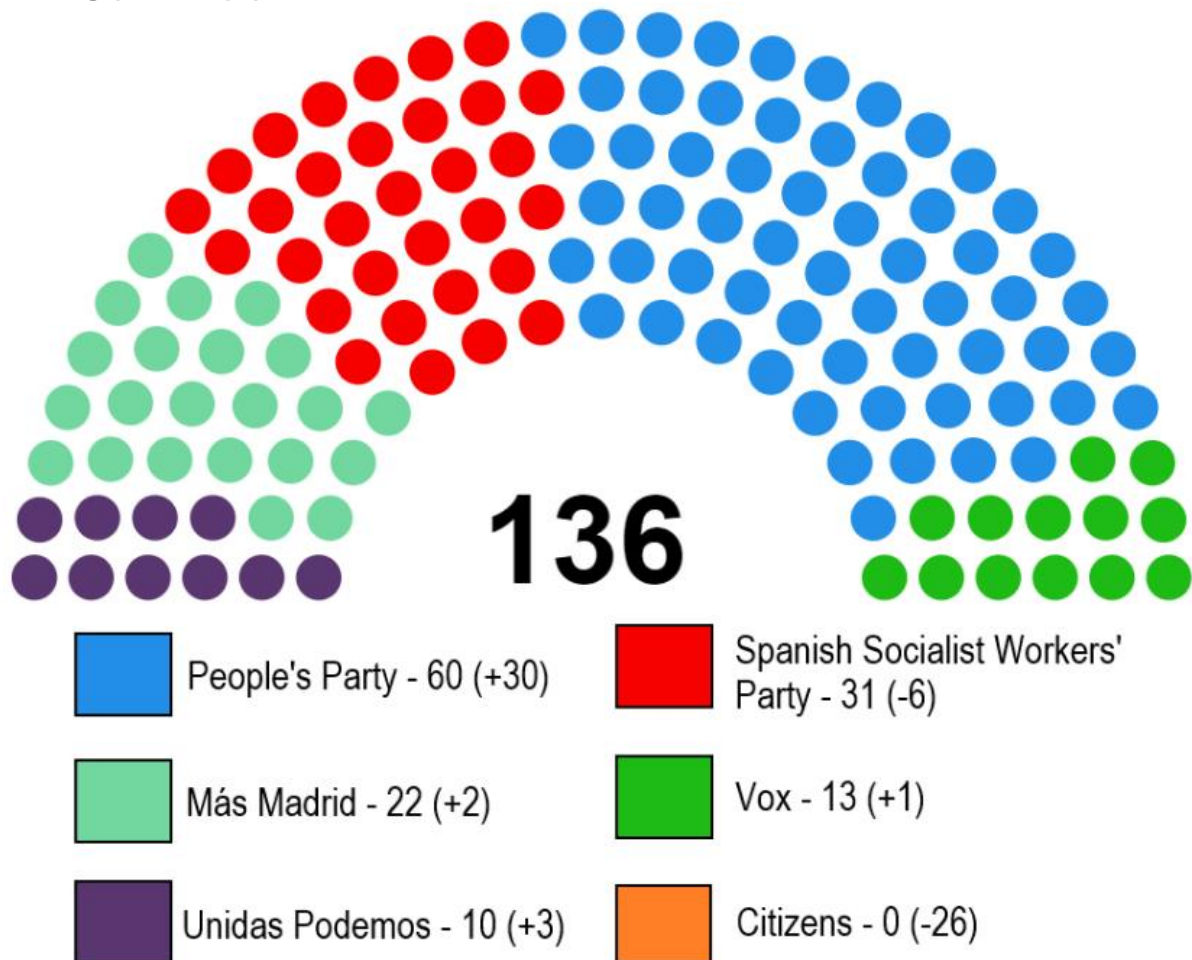
Chart 1. Polling for Madrilenian Election, % and Trendline



Source: *ElectoPanel, SocioMetrica, Demoscopia y Servicios, Hamalgama Metrica, SW Demoscopia, SyM Consulting, NC Report, Celeste-Tel, DYM, GAD3, KeyData, CIS, GESOP, Sigma Dos, Invymark, MNI*

With the centrist liberal *Ciudadanos* (Citizens, C's) looking likely to fall below the 5% threshold required to enter the Assembly of Madrid, the PP's only potential coalition partner would be the right-wing nationalist Vox party. In Andalusia, the PP and Citizens govern in coalition supported by Vox in a confidence-and-supply agreement, but this election could mark the first time that Vox either enters a regional government coalition or supports a minority government without the involvement of Citizens.

Chart 2. Potential Composition of Assembly of Madrid Based on Average Opinion Polling (24-30 Apr), Seats



Source: *ElectoPanel, SocioMetrica, Demoscopia y Servicios, Hamalgama Metrica, SW Demoscopia, SyM Consulting, NC Report, Celeste-Tel, DYM, GAD3, MNI*

Amidst the COVID-19 pandemic, Ayuso's Madrilenian government has been vociferously pushing back against some of the federal government's stricter COVID-19 measures. The PP campaign used the slogan 'communism or freedom', resulting in the left-wing Unidas Podemos countering with their own slogan of 'fascism or democracy'. Given Spain's 20th century history with regards to the country's civil war and the decades under the regime of General Francisco Franco, terms such as communist and fascist carry significant political weight, and as such have resulted in a bitter and divisive campaign.

Poor Result In Madrid Could Signal Trouble Ahead For Sanchez Government

The Madrilenian election has gained so much nationwide attention in part due to the enhanced roles played by the country's two most senior politicians in the race. National leader of the leftist Unidas Podemos (UP) Pablo Iglesias gave up his position as deputy prime minister in order to run for the Madrid assembly. Despite this, UP is set to finish as the smallest party in the assembly, behind another leftist party the regionalist green Más Madrid.

Meanwhile, Prime Minister Pedro Sanchez, from the centre-left Spanish Socialist Workers' Party (PSOE) has made high-profile interventions in the election campaign, frequently engaging in clashes with Ayuso over COVID-19 restrictions. With Ayuso turning the vote from one focused on local issues into one encompassing Spain's troubled political past and acting as a ballot on the federal government, a poor result for the PSOE and UP could open up already-evident cracks in the relationship between the two governing parties.

Unauthorized disclosure, publication, redistribution or further dissemination of this information may result in criminal prosecution or other severe penalties. Any such authorization requires the prior written consent of Market News International. Redistribution of this information, even at the instruction of your employer, may result in personal liability or criminal action unless such redistribution is expressly authorized in writing by Market News International. Violators will be prosecuted. This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright © 2021 Market News International, Inc. All rights reserved.